

WILTEL TECHNOLOGY VENTURES, INC.
ONE OF THE WILLIAMS COMPANIES, INC.



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November 30, 1995

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VIA MESSENGER

William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

DOCKET FILE COPY ORIGINAL

Re: WT Docket No. 95-157
RM 8643

Dear Acting Secretary Caton:

Williams Wireless, Inc. (WWI) appreciates this opportunity to submit these Comments in connection with the above-captioned proceeding. WWI is a wholly-owned subsidiary of The Williams Companies, Inc. (TWC), Tulsa, Oklahoma. WWI operates as a subsidiary under The WilTech Group, Inc., which is wholly owned by TWC. TWC owns Transcontinental Gas Pipeline Company (Transco), Texas Gas Transmission Company (Texas Gas), and Williams Natural Gas Company (WNG), among other companies. WWI owns the 2 GHz microwave system which operates along these pipeline systems. Accordingly, WWI is vitally interested in the Commission's proposals to implement a plan for sharing the costs of microwave relocation to accommodate Personal Communications Services (PCS) in this band.

Background

WWI's 4,000 mile 2 GHz microwave backbone is used by WNG, Texas Gas and Transco. It consists of 132 microwave links, all of which operate in either the A, B, or C Frequency Blocks allocated for PCS. WWI recently vacated, by voluntary agreement with

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American Personal Communications (APC), the 2 GHz band for four of these links, leaving 128 links remaining to be cleared. Of these 128 links:

- 54 links are in the A Block;
- 44 links are in the B Block;
- 30 links are in the C Block;
- In 39 links, one of the A or C paths also operates in the U Block;
- In 39 links, one of the A or B paths also operates in the D or E Block;
- 50 spurs operate in the 2.1 GHz band not under consideration at this time.

WWI's microwave system controls the operation of TWC's natural gas pipelines. Gas pressures and flow volumes are monitored and controlled by data transmissions at hundreds of points along the microwave system. In most cases, no other communications source is available. In addition, voice communication over the system is used to coordinate pipeline control operations.

The Transco pipeline extends from San Antonio to New York City. Its portion of WWI's microwave system passes through the Gulf states and up the East Coast. Texas Gas' pipeline runs north from New Orleans into Indiana. WNG's system operates throughout Oklahoma, Kansas and Missouri, with one segment extending into Wyoming.

In designing our communications system, it was imperative to assume that even a brief loss of communications could lead to a loss of control of pipeline pressures and flow volumes which is unacceptable because of safety and service reliability concerns. Today, this complex network is extremely reliable.

Comments

In light of the extensive nature of our microwave systems, we support the Commission's efforts to establish a cost-sharing plan that will facilitate system-wide relocation of incumbent operations for PCS. Additionally, as described below, we support the Commission's proposals to clarify certain aspects of the negotiation framework. We are concerned, however, with several of the Commission's proposals and their potentially adverse impact upon the safety and integrity of our pipeline operations.

Negotiation Framework

We applaud the Commission's reaffirmation that negotiations during the initial phase are strictly voluntary and are not defined by any parameters. Because the negotiations are voluntary, the Commission correctly noted that a PCS licensee may choose to offer "premium payments or superior facilities as an incentive to the incumbent to relocate quickly." Notice, ¶ 6. As a result, the parties are free during the voluntary period to negotiate any relocation terms and conditions that are mutually acceptable. This approach will facilitate the timely introduction of PCS while protecting the operations of critical microwave systems.

WWI supports the Commission's basic negotiation framework. Under any relocation scenario, however, microwave incumbents should at least be made "whole" as a result of their transition to new communications facilities caused by the deployment of PCS. This concept should include comparable facilities in a technical sense, as well as reimbursement for any out-of-pocket expenses (engineering, legal, FCC filing fees, etc), incurred during any phase -- voluntary or mandatory -- of the negotiation process. Microwave incumbents should not be required to pay indirectly for introducing PCS into the 2 GHz band.

Cost-Sharing and System-wide Integrity

Flexibility in the voluntary negotiation period, in particular, will allow large microwave users and PCS licensees to craft mutually acceptable relocation arrangements. To that end, the Commission's cost-sharing proposal will facilitate system-wide relocation of microwave incumbents by enabling a PCS licensee that relocates a link which is not in its licensed frequency band or its service area to recover reimbursement for relocation costs up to the amount of the "relocation cap" proposed by the Commission. Without cost-sharing, PCS licensees may be reluctant to relocate entire systems -- especially large ones such as WWI's -- when only several links are affected by a particular PCS licensee's operations. Although the proposed cap of \$250,000 (plus \$150,000 if a new tower is required) may well be low in terms of actual relocation costs, it should suffice for purposes of establishing a downstream limit on reimbursement.

A selected link-by-link relocation raises numerous technical and operational concerns for WWI. We anticipate that communications failures will increase noticeably if a piecemeal replacement approach is followed. In a microwave system as large and complex as WWI's, multiple technologies, different frequency links, dissimilar vendor equipment and disparate testing devices employed in the same system would create an overly complex mosaic of hybrid technology which would increase points of failure and decrease reliability and efficacy

of the operation of the system. We also are concerned that a prolonged link-by-link relocation will destabilize the integrity of our network on an ongoing basis, reduce its manageability, impair throughput and increase operational costs.

Our pipeline communications systems have enabled us to develop a long history of safe and reliable transportation of natural gas throughout the country. Since any communications system failure could pose serious safety risks, our responsibilities to our customers, employees and adjacent land owners preclude us from taking any course of action that could jeopardize our system's integrity and high reliability in any way. To maintain the safety of the existing system while creating a new, equally safe replacement system, WWI must perform the relocation of the entire system at one time and in the most coordinated and manageable manner possible. Accordingly, we are currently discussing with numerous PCS licensees a coordinated relocation plan under the voluntary negotiation framework. We urge the Commission to facilitate these types of voluntary, system-wide solutions.

Mandatory Negotiations

The current rules governing mandatory negotiations simply require "good faith" negotiations among the parties. The Commission has proposed to clarify these rules concerning the one-year mandatory negotiation period so that "good faith" offers will be examined based upon a "comparable facility" standard. Notice, at ¶ 69. Comparable facilities would be limited to the actual costs associated with providing a replacement system and would exclude any expenses (e.g., consultant fees) incurred by the incumbent licensee without the "approval" of the PCS relocater. This is an important modification of the existing rules which will reduce the flexibility necessary for microwave incumbents to remain "whole" as a result of the implementation of PCS.

Comparability, especially for extremely large microwave systems such as ours, is not always an "open and shut" case. It requires careful analysis, based upon many variables unique to our particular operations. We cannot risk a link-by-link determination of comparability at the expense of overall system-wide integrity and reliability.

Additionally, under no circumstances should existing microwave licensees be required to absorb PCS-related costs. Any offer of "comparable facilities" (based on communications throughput, system reliability and operational costs) should recognize lost opportunities, lost business, related soft costs and other expenses incurred by the microwave incumbent in accommodating PCS. Engineering, legal and administrative expenses should be fully recoverable. We urge the Commission to clarify that all reasonable, legitimate costs incurred by incumbents in connection with an involuntary relocation be fully reimbursable by PCS licensees.

Replacement Equipment

The Commission's proposal for involuntary relocations would permit PCS licensees to replace analog systems with comparable analog systems. If no comparable analog replacement equipment is available, the PCS licensee would be required to provide the lowest-cost digital system that satisfies the technical requirements of the Commission's comparable facilities definition. The Commission sought comment on whether depreciation of equipment should be considered; for example, whether the PCS licensees should be required to compensate the incumbent only for the depreciated value of the old equipment. Notice, at ¶ 77.

We believe microwave incumbents displaced by PCS should be entitled to transition to current, state-of-the-art technology without adverse financial consequences. The depreciation suggestion in particular could be disastrous for many microwave incumbents. Microwave licensees displaced from the 2 GHz band for PCS should not be expected to absorb depreciated costs of equipment or to suffer other adverse financial consequences as a result of the PCS reallocation.

The fact of the matter is that many microwave incumbents would have been pleased to continue operations indefinitely with their existing equipment in the 2 GHz band. Inasmuch as that band has now been reallocated by the Commission for PCS, the PCS licensees directly benefitting from the reallocation should reasonably be expected to compensate fairly the displaced microwave licensees for all new costs incurred in the transition, including the full cost of state-of-the-art replacement equipment.

Licensing Issues

The Commission's Notice proposes to "clarify" that primary status will be granted to microwave incumbents in the 2 GHz band only for minor modifications that do not increase the costs to PCS licensees. Notice, at ¶ 89. These minor changes include: decreases in power; slight changes in antenna height; coordinate corrections up to two seconds; reductions in authorized bandwidths; structure height changes; ground elevation changes; and equipment changes.

We believe the Commission's "clarification" is overly stringent. Administrative corrections of licensing errors always should be permitted on a primary basis. Furthermore, any modification that does not increase the cost to the PCS licensees should be permitted as primary. Especially in microwave systems as extensive as WWI's, these sorts of routine corrections must be permitted without jeopardizing the primary status of our system in this band.

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Sunset Provision

In one final matter, the Commission announced that it plans to impose a time limit on the obligations of PCS licensees to provide comparable facilities. The Commission's Notice proposed that all microwave incumbents remaining in the 2 GHz band will become secondary on April 4, 2005. Notice, at ¶ 90.

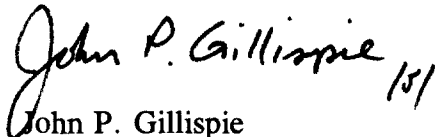
This proposal would provide a disincentive for PCS licensees deploying in 8 to 10 year timeframes to pay to relocate microwave incumbents. Furthermore, incumbents operating in rural locations may never receive an offer to relocate before 2005 and could be forced out of the band without compensation. There is no apparent reason why this date was selected by the Commission, and it fundamentally "breaks faith" with the Commission's basic relocation framework. Costs incurred by microwave licensees in accommodating PCS in this band are properly absorbed by new PCS licensees, not displaced microwave incumbents.

We believe PCS licensees should have a continuing obligation to relocate microwave incumbents, regardless of the date of actual relocation. Otherwise, some microwave licensees, especially those with links in rural areas, will pay the price for PCS implementation. This, we believe, is fundamentally unfair and inappropriate as a matter of public policy.

* * *

We appreciate this opportunity to comment on these important proposals. Should you have any questions or require any further information, please feel free to contact the undersigned.

Respectfully submitted,

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cc: The Honorable Reed E. Hundt, Chairman
The Honorable James H. Quello
The Honorable Andrew C. Barrett
The Honorable Susan Ness
The Honorable Rachelle B. Chong
Michelle Farquhar
Gerald P. Vaughan
Rosalind K. Allen